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Retirement savings bill approved by Senate committee includes several important Council recommendations

WASHINGTON, D.C. — “The American Benefits Council applauds the inclusion of several important retirement savings provisions as part of the Retirement Enhancement and Savings Act, approved on September 21 by the Senate Finance Committee,” Council President James A. Klein said today.

The following provisions added to the bill were specifically recommended by the Council in its public policy strategic plan, [A 2020 Vision: Flexibility and the Future of Employee Benefits](#):

- **Open MEPs:** The measure includes a provision to expand the availability of “open multiple employer plans (MEPs),” under which small entities can join together to pool plan assets and reduce the cost of plan administration. “Streamlining the adoption of these arrangements will help close the coverage gap by increasing access to employer-sponsored savings plans, which have proven to be the most successful method of improving health and financial well-being in retirement,” Klein said. This provision has also received support from both [Democrats and Republicans in Congress](#) and [President Obama](#), as well as other organizations such as the [Bipartisan Policy Center](#).
- **Help for frozen pension plans:** The bill also revises the Internal Revenue Code’s nondiscrimination rules to correct a “glitch” in the nondiscrimination rules that effectively penalizes employers and workers with frozen defined benefit plans. The Council has worked on this issue for several years and most recently circulated [a letter of support for the provision](#) on September 21. “We thank the original authors of this amendment – Senators Ben Cardin (D-MD) and Rob

Portman (R-OH) – for their common-sense approach to this highly technical problem,” Klein said.

The legislation also includes several additional provisions that encourage greater retirement savings, including those allowing greater automatic escalation of retirement plan contributions and easing the impact of hardship withdrawals.

“We are pleased that the Finance Committee has advanced several of our recommendations and we look forward to working further on these issues as the Retirement Enhancement and Savings Act progresses toward enactment,” Klein said.

For more information on retirement policy matters, or to arrange an interview with Klein, contact Jason Hammersla, Council senior director of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.